



CITY COUNCIL

Committee of the Whole

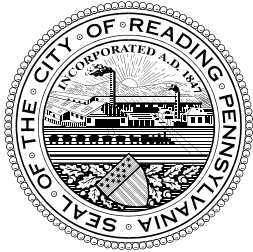
Monday, July 27, 2009

Council Office

5:00 pm

Agenda

- I. Resolution – residential sprinkler systems in PA UCC 5:00 pm
- II. Selection of Delegate to represent the City on the County Tax
Collection Committee 5:15 pm
- III. Update – Waste Water Treatment Plant Project 5:30 pm
- IV. Agenda Review 6:30 pm



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
July 13, 2009
5:00 P.M.

COUNCIL MEMBERS PRESENT:

D. Sterner, M. Goodman-Hinnershitz, S. Marmarou, S. Fuhs, J. Waltman, V. Spencer

OTHERS IN ATTENDANCE:

L. Kelleher, S. Katzenmoyer, C. Younger, D. Wright, A. Mukerji, C. Heminitz, A. Boscov

Mr. Spencer called the Committee of the Whole meeting to order at 5:02 p.m.

I. Waive Bond for Hotel Project

Mr. Boscov stated that the hotel project is moving forward. He stated that currently Our City Reading is covering the expenses for the project. He stated the private investors hope that the hotel opens in 2011. Groundbreaking will occur in March 2010. He stated his belief that this project is a vital piece of the revitalization of Penn St. He requested that the bond for public infrastructure improvements be waived.

Mr. Mukerji explained that the bond is generally required to ensure the developers complete the project. He stated that Council has waived this requirement in the past for other projects and has recently waived this requirement for the Parking Authority in regard to the parking garage project. He stated that the groundbreaking for the garage will begin in August 2009.

Mr. Boscov stated that Governor Rendell has pledged additional funding for the hotel

project.

Mr. Boscov reported that the Goggleworks Apartments project will begin in August 2009. He stated that there has been an excessive amount of paperwork involved in this project since HUD is providing funding.

Mr. Sterner questioned if the parking garage and hotel would be constructed at the same time. Mr. Boscov stated that they would not be as this is a small area. The garage will begin first to assist with the staging of materials.

II. Executive Session

Council entered executive session at 5:10 pm to discuss pending litigation. Council exited executive session at 5:39 pm.

III. Fee Increases

- Planning Fee Increases

Ms. Kelleher stated that she compared these fee increases to other local municipalities. She stated that the new fees will be very similar to surrounding municipalities.

Mr. Spencer noted that these are drastic increases.

Ms. Goodman-Hinnershitz questioned how these new fees were determined. Ms. Kelleher stated that they are all cost based.

Mr. Sterner questioned what was involved in a parking lot review.

Mr. Waltman stated that the fee should not be \$900 for each additional ten spaces over 50.

Mr. Spencer questioned if the parking authority pays these fees. Ms. Kelleher stated that they do unless the City waives them. She stated that she was unsure if parking lots also need to pay all the SALDO fees.

Ms. Goodman-Hinnershitz stated her belief that these fees must be weighed against the redevelopment needs of the City.

Mr. Wright stated that he would review these issues with Mr. Mayes and Mr. Miller and report back to Council.

Mr. Fuhs stated his belief that a firm did a thorough analysis and that Council should not question their recommendations. He stated that the recommendations of the study should be followed. Mr. Spencer stated that the City has the option of making adjustments to their recommendations.

Mr. Fuhs stated his belief that it was feasible to subsidize recreation fees but that taxpayers should not subsidize fees for developers.

Mr. Jones joined the meeting at this time.

Ms. Kelleher stated that these costs would reflect actual costs.

Mr. Marmarou stated his belief that these fees are in line with other local municipalities and the City's actual costs.

Mr. Jones stated that a parking lot is still considered land development and undergoes the same process.

Mr. Waltman questioned why the fee is \$820 up to 50 spaces and then \$900 for every ten spaces thereafter.

Council requested clarification on this fee.

- Parks and Recreation Fee Increases

Mr. Marmarou questioned the use of the ball fields at Alvernia. He stated that these fields can be used after the NCAA season. He questioned where the application would be filed and who would receive the rental fee. Mr. Jones stated that the application would be filed with Matt Lubas. He stated that the fee situation is currently being negotiated.

Mr. Spencer questioned the exclusive use of the Egelman field by the East Reading AA. Mr. Jones stated that he is currently restructuring this agreement. He stated that East Reading currently has complete control of the field and receives all income; however, the City continues to maintain the park. He stated his belief that they should have preferred rights but not complete control.

Ms. Goodman-Hinnershitz stated her hope that additional public-private partnerships occur at parks throughout the City and noted the need for clear agreements. Mr. Jones stated that each agreement must be different as all parks are different.

Ms. Goodman-Hinnershitz stated her belief that all the increases seem logical except for the use of the bandshell. She stated that many non-profit organizations may not be able to afford this new fee. Mr. Jones stated that he has made recommendations which are not reflected in this chart.

Ms. Kelleher questioned if there would be resident and non-resident fees. Mr. Jones replied negatively.

Mr. Marmarou and Ms. Goodman-Hinnershitz questioned the bandshell penalty. Mr. Jones stated that this would result from damages.

Ms. Goodman-Hinnershitz stated her belief that the Pagoda Foundation should set the fee for the rental of the Pagoda. Mr. Jones suggested a graduated scale based on the amount of time used.

Mr. Sterner requested that Mr. Jones describe his recommended changes. Mr. Jones recommends the following changes:

- Small Pavilion – 6 hours - \$50
- Small Pavilion – 6+ hours - \$75
- Large Pavilion – 6 hours - \$100
- Large Pavilion – 6+ hours - \$125
- Bandshell – 6 hours \$400
- Ball field – 2 hours before 8 pm - \$20
- Ball field – 2 hours after 8 pm - \$30

Ms. Kelleher questioned if the lower fee could be for City residents and the Maximus recommended fee for non-residents. Mr. Jones agreed to use this approach for the pavilion rentals.

Ms. Goodman-Hinnershitz expressed her support of taxpayers subsidizing the fee for City residents.

Mr. Marmarou questioned if the Berks Arts Council paid the bandshell rental fee. Mr. Jones stated that they do not.

Mr. Jones stated his belief that the higher fees for use of the ball fields will decrease

their usage. He stated that these lower fees would be for practices. He suggested an additional \$20 fee for lining, etc for games.

IV. Agenda Review

Council reviewed the agenda for this evening's meeting including:

- Resolution authorizing the City to be a member of the Berks County Cooperative Purchasing Council and appointing a representative and alternate to the Council

Mr. Spencer questioned if the Mayor and Managing Director would be the representative and alternate. Mr. Younger replied affirmatively.

Mr. Spencer questioned what this Council would be purchasing. Mr. Jones stated that they will be studying electricity rates and make recommendations for when rates caps are removed.

- Award of Contract for handicapped ramp installation

Mr. Sterner questioned how many ramps would be installed for this cost. Mr. Jones did not have a specific number but noted that this is a large project. He stated that it will be in northeast Reading.

Mr. Spencer stated that the City continues with these upgrades. Mr. Jones stated that the ADA states that the City must show that they are continuing the upgrades.

- Ordinance amending the Animal Control Ordinance regarding the reporting of animal bite incidents

Ms. Goodman-Hinnershitz questioned if this ordinance also includes the number of animals per household. Ms. Kelleher stated that this does not include that provision. It addresses the health code and will bring the City into compliance with the State bite quarantine procedure. She stated that the number of animals per household will be discussed at the upcoming work session.

- Resolution to apply for a Neighborhood Stabilization Program (NSP) II grant to address foreclosures in the City

Ms. Kelleher stated that the consortium agreement has been amended and distributed

copies of the amendment.

Mr. Spencer stated that the City did not receive NSP I funds. He questioned who would be preparing the application. Mr. Wright had left the meeting. Ms. Hemnitz will check with Mr. Mayes. She stated that the application is due this Thursday.

Mr. Fuhs stated that the consortium consists of the City, the Housing Authority, and Our City Reading. He questioned the rationale of including a private non-profit and questioned if there would be equal access to the funds. Mr. Younger stated that it would be determined by the terms of the agreement.

Mr. Fuhs questioned why Our City Reading was chosen over other non-profits and whether this should have an accompanying RFP. Mr. Younger stated that an RFP was not necessary.

Mr. Fuhs questioned the parameters used to determine that Our City Reading was the best choice for the consortium. Mr. Spencer stated his understanding that the Housing Authority and Our City Reading were chosen because of their involvement in housing issues.

Mr. Fuhs stated that Our City Reading has a positive balance sheet and that this may affect the outcome of the grant. Mr. Younger stated that the City is the lead applicant.

Mr. Waltman questioned why the City needs a consortium if they are in the lead.

Mr. Fuhs stated his belief that the City should be working on these issues and that partners may not be needed.

Mr. Fuhs stated that the Blighted Property Review Committee and the Redevelopment Authority have moved the City forward. This funding could assist the Blighted Property Review Committee and again questioned the involvement of Our City Reading.

Mr. Waltman stated that a member of the Administration should be present for this discussion with the deadline being this Thursday and action needed this evening.

Mr. Fuhs questioned if the City's congressional representatives are informed when the application is submitted.

- Resolution authorizing the City to file a proposal with DCED for funding of the position of Business Analyst

Mr. Spencer stated that Council requested this several years ago. He stated that a representative from DCED will be present at the upcoming work session. He suggested tabling this resolution until after further discussion. Ms. Kelleher also stated that there has been no response to Mr. Spencer's memo requesting further information.

Mr. Spencer stated that Council needs to know the ramifications of this resolution and how it would affect filing Act 47.

- Resolution supporting the Local Option Sales Tax/Property Tax Relief Act

Ms. Katzenmoyer distributed a copy of the resolution.

Mr. Fuhs stated that this legislation needs to be approved at the State level. He stated that if enacted the County Commissioners would need to act to participate. If the Commissioners do not take action, local municipalities can take action after twelve months.

Mr. Spencer stated that he has requested a copy of HB 1682 for review. He stated his belief that it may not pass at the State level.

Mr. Marmarou reminded Council that a percentage would be used to decrease property taxes.

Ms. Goodman-Hinnershitz stated her belief that this was a tricky but viable option.

Mr. Sterner stated that this would increase the tax on all those spending money.

Mr. Fuhs stated that the two Republican Commissioners are not in favor of this tax.

Mr. Spencer stated that the City already does not collect enough in property taxes. He stated that this would further decrease that amount.

Mr. Waltman stated his belief that this is a tax shift. He stated that 40% would be new tax revenue but that he does not believe this is the solution. He stated that the City has systemic spending problems and that this will heighten the problems already in existence.

Mr. Fuhs stated that if the State passes the legislation, good debates will begin.

Mr. Spencer suggested tabling the resolution until further information is received.

V. Other Business

Mr. Fuhs informed Council of his work on transitional housing in the City. He stated that the Mayor agreed to address the issue jointly. The letter will request the District Attorney to review placement practices at these facilities. He questioned why a murderer was placed in Reading when we are battling crime problems. He stated that action needs to be taken in regards to these facilities.

Ms. Goodman-Hinnershitz stated that the transitional housing should each deal with a different type of clientele. She stated her belief that better supervision is needed.

Council agreed to pursue this issue.

Mr. Marmarou stated that there are many more transitional houses in the City that are not permitted.

The meeting adjourned at 7:01 pm.

Respectfully Submitted
Linda A. Kelleher, CMC
City Clerk

RESOLUTION _____ - 2009

WHEREAS, analysis of fire injuries and fatalities conclusively show that the majority of such incidents occur in residential properties and;

WHEREAS, every major fire safety conference in the last 90 years has called for improvements in the area of residential fire safety and;

WHEREAS, the United States Fire Administration (2008) has stated ***“The USFA fully supports all efforts to reduce the tragic toll of fire losses in this nation, including the proposed changes to the International Residential Code that would require automatic sprinklers in all new residential construction;”*** and

WHEREAS, the Fire and Life Safety Section of the International Association of Fire Chiefs (2008) resolved ***“No other action can possibly be more responsible for saving citizen and firefighter lives and personal property than adding residential sprinkler protection to our homes;”*** and,

WHEREAS, America Burning Recommissioned (1999) recommended ***“No tactic or strategy should detract from the requirement for sprinklers”*** and ***“Smoke alarms should always be the locality’s second option.”*** and

WHEREAS, efforts are underway to block the requirement for residential sprinklers in the Commonwealth of Pennsylvania; and,

WHEREAS, the City of Reading City Council feels that the fire fatality and injury rates in the Commonwealth of Pennsylvania are unacceptable; and,

WHEREAS, every major fire safety organization recognizes that the installation of automatic sprinklers will have a definitive long-term effect on reducing such losses.

NOW, THEREFORE, BE IT RESOLVED, the City of Reading City Council supports the requirements for the installation of residential sprinklers and opposes any attempt to block said mandate in the Commonwealth of Pennsylvania.

Passed Council _____, 200

President of Council

Attest:

City Clerk

(LAW AND FIRE)

RESOLUTION NO. _____

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS FOLLOWS:

Appointing the following to serve as a voting delegate and an alternate delegate(s) for the City of Reading on the Berks County Tax Collection Committee, as required by Pa. Act 32-2008 to oversee county wide collection of earned income tax and possibly taxes for school districts and municipalities:

Voting Delegate _____

Alternate Delegate _____

Alternate Delegate _____

Adopted by Council _____, 2009

Vaughn D. Spencer
President of Council

Attest:

Linda A. Kelleher CMC
City Clerk

Background on DCED's EIT Collection Initiative

Act 32 Preamble

Act 32 enacted on July 2, 2008 amends the Local Tax Enabling Act, Act 511 of 1965, to consolidate the collection of Earned Income Tax (EIT) on a countywide basis.

The Act is a result of a 2004 report published by the Department of Community and Economic Development (DCED) – a three year study that documented the fragmentation, complexity and inefficiency of the earned income collection system.

Under the current EIT system, 560 taxing authorities collect nearly \$1.9 billion in annual revenue for more than 2,900 local taxing jurisdictions. Pennsylvania currently has more taxing jurisdictions levying a local income tax than all other states combined. Due to inefficiencies in this system, it was estimated that as much as \$237 million is lost annually. These are revenues that should be available to municipalities and school districts under current tax rates.

Additionally, the current system creates a burden on employers that leads to an increase in the cost of conducting business within the Commonwealth. The administration of the tax is fragmented, confusing and often unfair to taxpayers.

By reducing the number of collectors from 560 to 69, the local tax collection system will be streamlined and more efficient. Overhead will be reduced and tax revenues will be transferred more efficiently and expediently. Uniform forms and procedures required by the legislation will add to consistent and uniform collection.

Finally, enacted tracking, auditing and oversight requirements will provide accountability and add financial safeguards needed to restore integrity and transparency to the system.

Act 32 FAQ's

To view a list of Frequently Asked Questions on Act 32, please [click here](#).

Act 32 Timetable

To view the Act 32 Countywide Tax Collection Timetable, please [click here](#).

Act 32

To view Act 32, please [click here](#).

Act 32 Implementation Training and Workshops

To review a list of scheduled workshops [click here](#).

Act 32 Earned Income Tax Collection Districts (TCDs)

To view a map of the TCDs and county boundaries, please [click here](#).

To view a map of the TCDs with school district boundaries, please [click here](#).

To view a map of the TCDs with municipal boundaries and school district boundaries, please [click here](#).

To view the list of the TCDs, please [click here](#).

Please note that the list and maps will be published in the Pennsylvania Bulletin according to the time frame established under Act 32. This will occur the last week in January, 2009.

As the custodian of the [Tax Register](#), the official source of earned income tax withholding information for employers, the Governor's Center for Local Government Services in the Department of Community and Economic Development (DCED) receives numerous inquiries from employers, taxpayers, municipalities, school districts, tax collectors and legislative offices about the collection of the EIT.

In 2001, as a result of numerous questions and concerns brought to DCED's attention in its custodial role, DCED formed a work group to study EIT Collection and make recommendations for improving the system. Based on that work and input from stakeholders, DCED released an analysis of the issue with recommendations in a September 2004 report entitled [Pennsylvania's Earned Income Tax Collection System, An Analysis with Recommendations](#). Since then, DCED staff have given presentations across the State on this issue to legislative committees, employers, municipal and school associations, tax preparers and tax collectors.

Based on its report, feedback from legislators and stakeholders, DCED concluded that the income tax system needed to be reformed. Besides consolidation, reforms necessary included uniform withholding, forms and regulations; more accountability and financial safeguards and better oversight and enforcement.

DCED determined that consolidation of local income tax collection at the county level is a viable option because collection is already consolidated on a county-wide basis in 13 counties, and nearly a reality in another 24 counties. A [map](#) illustrating how consolidated each county is shows that 27 counties, or forty-one percent, are already 90% or more consolidated. The [chart](#) used to develop the map shows the exact number of tax collectors and municipalities in each county.

DCED worked with legislative staff, the local government associations, the business community, other stakeholders and the House Senate Finance Committee to craft legislation to reform and consolidate EIT Collection. This legislation was offered in the 2007-2008 legislative session by a bipartisan group of sponsors in House Bill 1550 and Senate Bill 1063. The goals of the legislation were to stem the loss of local tax revenues; make the system more employer friendly, fairer and less formidable for taxpayers, and to create as much uniformity and clarity in the system as possible.

Summary of EIT Collection Reform and Consolidation

The final version of the [Earned Income Tax Collection Consolidation Act, Act 32 of 2008](#), when fully implemented, will result in a more efficient and consistent collection system. It will also make it easier for employers to fulfill their responsibilities, while making it more user friendly for taxpayers and recovering significant lost revenue for municipalities and school districts. The Act provides for consolidated collection, tax collection committees, the appointment of tax collectors, uniform withholding, distribution, appeals boards, violations by tax collectors, changes to the Tax Register, other administrative issues, audit and bond requirements, compliance tools and the transition from the old system to countywide collection. A summary that outlines the benefits of the reform bill for [businesses](#) and [local governments](#) is provided.

Access the Pennsylvania Economy League's [EIT Loss Analysis Document](#).

Additional information related to the implementation of Act 32 will be added to this page as it becomes available. Please check back periodically.